Learning Objectives

Upon completion of this unit, students should be able to:

1. Describe electronic commerce (EC) and its various categories.
2. Identify the major types of EC transactions.
3. Interpret EC business models.
4. Explain the benefits and limitations of EC to organizations, consumers, and society.
5. Evaluate online social and business networks.
6. Define e-marketplaces and describe their components.
7. Classify the various types of EC intermediaries and their roles.
8. Describe the benefits, limitations, and impacts of auctions.
9. Depict the impact of e-marketplaces on organizations and industries.

Unit Summary

The combined use of the Internet and the Web to transact commerce is the central focus of this unit. The student will be introduced to concepts where e-business and e-commerce are transacted, both in virtual and traditional boundaries. The goal of this unit is to expose the student to thinking differently about how business and commerce are transacted in the e-community, and how it can be removed from temporal and geographic locations through the use of the Internet.

Technology allows for two-way communication between merchant and consumer and increasing the amount and quality of information available to all market participants has globally revolutionized business. The ability of businesses to personalize marketing messages to specific individuals by adjusting the message to a person’s name, interests, and past purchases has changed the way business is transacted. The manager of the future will need to create business plans that incorporate e-commerce as a central portion of a firm’s business model. Businesses will customize, changing its product or service based on a user’s preferences or prior behavior.

A unique aspect of e-commerce is that market middlemen, who traditionally are intermediaries between producers and consumers, are made superfluous, since new direct relationships between manufacturers and their customers are created. This “friction-free commerce” eliminates unfair competitive advantages, keeps transaction costs low, and adjusts prices to reflect actual demand.

The student will be introduced to concepts such as business-to-consumer (B2C), business-to-business (B2B), consumer-to-consumer (C2C), and peer-to-peer (P2P) e-commerce. These online business techniques sell to individual consumers, businesses, and peers and are central to e-commerce that must be mastered by tomorrow’s business managers.
As a result, business models will change to accommodate e-commerce and to enhance its profitability in a marketplace; and business strategies will change to ensure long-term returns on the capital invested in a business firm.

As you progress through this unit and the course, you will focus on the themes of business, technology, and society interfaces of E-commerce.